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## Fifth Committee

**Summary record of the 17th meeting**
Held at Headquarters, New York, on Wednesday, 27 October 1999, at 3 p.m.

*Chairman:* Ms. Wensley ..... (Australia)
*Chairman of the Advisory Committee on Administrative and Budgetary Questions:* Mr. Mselle

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*The meeting was called to order at 3.10 p.m.*

**Agenda item 121: Proposed programme budget for the biennium 2000-2001** (A/54/6/Rev.1 (Vols. I-III), A/54/7, A/54/16, A/54/127, A/54/206, A/54/434 and A/54/443; A/C.5/54/14, A/C.5/54/15, A/C.5/54/16, A/C.5/54/17, A/C.5/54/18, A/C.5/54/19, A/C.5/54/20, A/C.5/54/21, A/C.5/54/22, A/C.5/54/25 and A/C.5/54/26)

*Introduction*

1. **The Secretary-General**, introducing the proposed programme budget for the biennium 2000-2001 (A/54/6/Rev.1 (Vols. I-III)), said that the level of the budget he was proposing, at $2,535 million, was virtually the same, in real terms, as the one for the preceding biennium. Of course, other procedures must be applied before the final budget was settled upon.

2. The budget document contained proposals for small but important increases in certain priority areas: efforts for peace and development in Africa; delivery of vital humanitarian assistance; promotion and protection of human rights; the fight against drug trafficking and organized crime; and training programmes to ensure that the staff had the skills and knowledge they needed to do their jobs. Provision was also made for modest increases in internal oversight and capital expenditures, as well as for special political missions whose mandates, though set to expire in 1999, might be renewed for part or all of the coming biennium. To accommodate those increases, savings would be achieved in administration and common support services and through efficiency measures in other areas.

3. Also, in response to priorities established by the Member States, he was proposing that more than 500 posts should be redeployed among the various programmes and subprogrammes. The work of the United Nations was ever changing in response to surprises and shifting demands. It was therefore essential that the Organization should be able to put the right person in the right place at the right time and to apply its resources where they were most needed.

4. The budget also reflected the ongoing reform effort. He welcomed the draft resolution adopted by the Fifth Committee the preceding week concerning the modalities for the Development Account (A/C.5/54/L.11/Rev.1), since it would enable the United Nations to build up the Account, quantify its efficiency gains and use those savings for development activities. The first set of projects financed from the current biennium's funds were already under way. Undoubtedly, the Member States shared his hopes for what could be achieved through that mechanism.

5. Another crucial part of the reform was the shift towards results-based budgeting. The budget currently before the Committee represented the first step in that process, and included statements of expected accomplishments for all substantive areas. For example, in the area of disarmament, the budget document set out expectations covering negotiating processes, publications and outreach programmes, and even some region-specific efforts. However, that was just a first step.

6. The Committee had before it separate proposals to build on that approach and complete the shift to results-based budgeting with widespread use of performance indicators. Although that process would take time and considerable discussion, the support and approval of the Member States during the current session would bring the Organization that much closer to the day when it would work with a fully results-based budget.

7. For five years, the United Nations had had absolutely no increase in its budget, even in nominal terms. In each of those years, the United Nations had cut spending to cover the cost of inflation, for a total of $350 million in cuts since 1994. During that period, it had also absorbed special mission costs of over $100 million. It had done so within a total budget that was currently lower than it had been in the biennium 1994-1995.

8. Despite that rigorous budget discipline, the United Nations had persevered with all aspects of its agenda, doing more with less, lamenting the unfortunate constraints placed on it but maintaining all the while its dedication to serving Member States and the peoples of the world. There came a point, however, at which further cuts would seriously compromise the Organization's ability to deliver the services which the Member States had mandated and which they expected from the Secretariat. Stringent budget discipline was one thing; a starvation diet, year upon year, was quite another, particularly when the Organization was continually being asked to do more and more.

9. The Advisory Committee on Administrative and Budgetary Questions itself, in its review of the proposed budget, had found no basis to propose any changes in the overall level of resources, and had reiterated its concern that continued reductions would compromise the quality and timeliness of services and lead to the curtailment or postponement of programmes. Something, somewhere, would have to give.

10. One need only look around the world, from East Timor to Sierra Leone, or listen to the speeches delivered in the General Assembly the previous month on disarmament, development, discrimination and other urgent issues, or think for a moment about the twentieth century to understand why the international community continued to turn to the United Nations for its unique and universal services.

11. The Organization's agenda was long; demands continued to rise; and expectations were high. The United Nations must respond, but it must also, obviously, be realistic. That was the aim of the budget currently before the Committee. The proposals it contained were solid, reasonable and rational. They represented value for money and would help to build a strong United Nations and a peaceful, more humane world at the dawn of the twenty-first century.

12. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the first report of the Advisory Committee on the proposed programme budget for the biennium 2000-2001 (A/54/7), said that the Advisory Committee was constantly seeking to introduce further improvements in the presentation of its reports. Responding to questions which had been raised on that subject, he noted that at the end of chapter I there was a statement of the Advisory Committee's overall position on the level of resources proposed by the Secretary-General. The specific recommendations and observations made in the report had not been recapitulated, since to do so would have made the document longer and would have created difficulty in understanding the basis for the Advisory Committee's recommendations and observations, which should be read in conjunction with the paragraphs in which the reasons for them were given.

13. In its resolution 53/206, of 18 December 1998, the General Assembly had authorized an outline of the proposed programme budget for the biennium 2000-2001 (A/53/220) of $2,545 million at revised 1998-1999 rates. That figure represented an increase of $15.1 million, or 0.6 per cent, over the revised appropriation for 1998-1999. The level of resources proposed by the Secretary-General totalled $2,655,362,400, or $125.5 million more than the 1998-1999 revised appropriation of $2,529,903,500. Approximately $119.8 million of the increase over the revised appropriation was for recosting projected for 2000-2001. The balance of the increase, which was $5.7 million, or about 0.2 per cent, reflected resource growth that was due mainly to the new posts requested for the biennium.

14. The level of the budget would again become an issue of intense discussion in the days ahead. The recosting and the amount of $86.2 million for special missions would be two key elements of those negotiations. The recosting was comprised of two elements: the first was the $93.3 million for currency fluctuations and inflation projected for the biennium 2000-2001, and the second was the amount of $26.5 million related to the introduction of a uniform vacancy rate of 5 per cent for posts in the Professional category.

15. According to the current practice, the amount of $93.3 million would be reviewed before the General Assembly approved the budget for the biennium 2000-2001. The review would take into account the most recent inflation and currency exchange rates as reflected in the second performance report for the biennium 1998-1999. The result of the review might lead to the conclusion that an increase or decrease in the initial estimates proposed for the biennium 2000-2001 might be warranted.

16. The average vacancy rates at the time that the Advisory Committee had examined the budget had been 8.9 per cent for staff in the Professional category and 2.1 per cent for General Service staff. Vacancy rates in the Professional category in a number of individual sections of the proposed programme budget were higher than the average. High vacancy rates could arise either because of legislative or management decisions or because of inefficient personnel management practices. Indeed, there was evidence of cumbersome recruitment and placement processes and procedures (A/54/7, paras. 98 and 99). Further comments and recommendations on that subject were contained in chapters I and II of document A/54/7.

17. The decision as to whether to appropriate the full $26.5 million for vacancy adjustment would depend on

the actual rates approved by the General Assembly. The Advisory Committee had in the past revised vacancy rates upward at the time that it examined the initial budget proposals. It had refrained from doing so on the current occasion. The maintenance of high vacancy rates inevitably affected the implementation of programmes and activities. Normally, vacancy adjustments were based on the projected pace at which new posts arising from staff separations would be filled. If posts were filled quickly, more resources would be required.

18. When the Advisory Committee had reduced staff costs to take account of a high vacancy rate, it had understood that more resources would be requested and approved in the context of performance reports, should the posts be filled at a higher rate than had been projected in the Advisory Committee's recommendations. However, if the Secretariat was forced to present budgets at zero or nominal zero growth with very little possibility for additional resources, programme managers would have difficulty in filling the posts left vacant owing to a higher vacancy factor. Indeed, arbitrary budget levels might actually lead programme managers to decide to leave more posts vacant throughout the biennium, since to fill all of them would require additional funding which might not be approved.

19. Furthermore, the Advisory Committee had refrained from recommending higher vacancy adjustments because it had been informed that measures had been adopted to speed up recruitment, particularly in the regional commissions, where, except at the Economic Commission for Europe, vacancy rates had traditionally been quite high. It was therefore advisable that, before a final decision was taken on the vacancy rates, those points should be taken into account and the Secretariat should submit detailed information on the measures that had been taken thus far to address concerns about the high level of vacancies in the Secretariat.

20. Personnel services were provided through established posts, consultants and temporary personnel for meetings and other ad hoc tasks. The number of established and temporary posts for the expenditure and income sections totalled 8,933. The number of new posts which had been proposed was 61 (44 new posts, 36 posts converted from temporary funds and 19 posts abolished). A total of 547 redeployments between programmes and 30 reclassifications were also reflected in the programme budget document. The total of 8,933 posts did not include temporary assistance hired for meetings and ad hoc tasks.

21. As the number of established posts decreased, there was a perceptible trend towards the establishment of more temporary positions to perform functions of a continuing nature. For the coming biennium, a total of 125 positions were proposed but did not appear as temporary posts in the staffing tables. While programme managers should not be faulted for hiring temporary personnel to implement work programmes, the experience of the Advisory Committee was that the management of a large temporary secretariat could become quite onerous and was not an efficient long-term solution. Transparency on the part of the Secretariat and effective oversight and control were essential to ensure value for money from that type of personnel.

22. An amount of $86.2 million had for the first time been included for special missions. That was in accordance with the proposals of the Secretary-General, which had been endorsed by the General Assembly upon the recommendation of the Advisory Committee. It was difficult to expect absorption of additional expenditure for special missions when so little absorptive capacity remained. Therefore, if the current level of funding was reduced, there should be a clear understanding among all concerned that, should requirements for special missions exceed the authorized appropriation, the necessary additional resources would be approved by the General Assembly at the Secretary-General's request. That would avoid the uncertainties experienced in previous years and the subsequent difficulty in reaching agreement on how to treat such additional requests.

23. The problem would not be critical if the process embodied in Assembly resolution 41/213 had been allowed to operate as intended. As the Advisory Committee had cautioned, selective application of resolution 41/213 would call into serious question the validity of the budget process embodied therein and make the Advisory Committee's task more difficult. The Advisory Committee was not a political body. It operated within guidelines set by the General Assembly. If the Assembly had never agreed on the policy of zero budget growth or zero nominal growth, it would be unrealistic for anyone to fault the Advisory Committee for having failed to make recommendations along those lines.

24. The proposal for $13.1 million under section 33 for the Development Account had yet to be programmed. The Fifth Committee had recommended approval of the modalities for the operation of the Development Account, but it was essential for the Secretariat to submit without further delay projects to be funded from the $13.1 million which the General Assembly was requested to appropriate under section 33.

25. Many of the recommendations and observations in chapters I and II related to management, programme implementation and delivery of services and to the role of the intergovernmental machinery in those areas. For example, the Advisory Committee had drawn attention to serious problems that continued to affect United Nations personnel practices and policies, both in the Secretariat and at the intergovernmental level. Those problems often accounted for the cumbersome recruitment processes, placement inefficiencies and high vacancies in many parts of the Secretariat. Those shortcomings, including the question of how to rejuvenate the Secretariat, needed greater sustained attention by both the Secretariat and Member States in the context of the personnel management reforms which the Secretary-General had submitted to the General Assembly.

26. Another major subject on which the Advisory Committee had commented was information technology. In order for its programmes and services to be delivered fully and efficiently during periods of persistent budgetary constraints, the United Nations needed to take urgent and sustained steps to modernize its work methods and processes. To that end, the Advisory Committee had made a large number of comments and recommendations in its first report on the proposed programme budget for the biennium 1998-1999 (A/52/7), which it had reiterated in the report currently before the Fifth Committee. Modernization would require careful planning and appropriate investment of resources. The Advisory Committee had requested that, in the future, there should be more transparency regarding plans and resources for an information technology strategy.

27. The Secretary-General had stated in the Advisory Committee that since 1994 the Organization had not had an increase in its budget, even in nominal terms. Each year since then, spending had had to be cut to absorb inflation. No organization could continue indefinitely making savings of that kind, especially when demand for services continued to increase. After considerable discussion, the Advisory Committee had concluded that it had no basis to change the overall resource level proposed by the Secretary-General. That conclusion had been based on two opposing factors. The Advisory Committee had pointed out, on the one hand, that additional resources would be warranted under a number of sections, in the light of the apparent deterioration in the level and quality of service in such areas as language and documentation, as well as the inadequate provision of resources for the maintenance and improvement of United Nations facilities and assets. On the other hand, the Advisory Committee had noted that a higher vacancy situation than had been budgeted, particularly in the Professional category, would call into question the need for additional resources over and above what had been requested by the Secretary-General.

28. The existing full personnel capacity needed to be used before the extent, if any, of additional requirements was determined. Moreover, the use of technology and more efficient work methods should lead to savings in many areas of the United Nations. Taking those two views into consideration, the Advisory Committee had opted to leave the proposals as they had been presented by the Secretary-General, subject to the review of the effects of inflation, currency fluctuations and vacancy rates that would take place before final action by the General Assembly.

29. As had been pointed out in the Advisory Committee's report, the narrative presentation of the proposed programme budget had improved in a number of sections, but that improvement was not general. The introduction of information on expected accomplishments had been done without much guidance from Member States, and information on the implementation of recommendations of the Committee for Programme and Coordination (CPC), the Advisory Committee, the Board of Auditors and the Office of Internal Oversight Services (OIOS) would need further refinement.

30. The value of a budget document lay in the quality of the information it provided to enable Member States to take informed decisions on programmes and budgets. Because United Nations budget documents had not always met the highest standard of form and content, Member States had regularly called for changes in the presentation of the budget. Budget documents had therefore evolved over many years and

would continue to change as Member States agreed on new methods of planning and budgeting.

31. The Advisory Committee had been at the centre of change in the format and presentation of United Nations budgets and would continue that tradition when it reviewed the proposals on results-based budgeting. The Advisory Committee intended to consider those proposals with the same thoroughness as it had when the United Nations had moved from object of expenditure to programme budgeting. If the General Assembly decided to change the current budget format, the Advisory Committee trusted that Member States and the Secretariat would agree on an orderly and realistic timetable, as had been done during the most recent major budgeting change.

32. Lastly, he wished to reiterate the concern expressed by the Advisory Committee in paragraph 7 of its first report on the proposed programme budget for 1998-1999 (A/52/7) with regard to the situation where budgetary approval came about not as the result of an orderly process but rather as an achievement arrived at in an ad hoc manner often in the absence of sufficient data, analysis and justification. Decisions and resolutions arrived at under great pressure in the effort to achieve compromise had become increasingly complicated and ambiguous. He hoped that an atmosphere of realism and cooperation would prevail in the search for a broad agreement on the budget proposals currently before the General Assembly.

33. **Mr. Tommo Monthe** (Chairman of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination on the work of its thirty-ninth session (A/54/16), said that the deliberations, conclusions and recommendations of CPC on the proposed programme budget for the biennium 2000-2001 were contained in paragraphs 58 to 472 of its report. In that document, CPC expressed its appreciation for the improved format of the proposed programme budget and for its submission in all official languages within the established six-week time-frame.

34. In accordance with the prerogatives of CPC in the budget process, as defined in General Assembly resolution 41/213, and in the light of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, CPC had considered the mandates on which the proposed activities were based, whether those mandates had been properly interpreted and whether the priorities for resource allocation established by the General Assembly in the medium-term plan had been observed. It had also considered the presentation of the proposed budget and the overall level of resources requested by the Secretary-General.

35. With respect to mandates and their interpretation, CPC had recommended to the General Assembly that it should approve the narratives of some sections; change others to reflect approved mandates; carefully review the narratives of other programmes, such as those under section 4, Disarmament, and section 11A, Trade and development, whose complex formulation would require a supplementary clarification from the sectoral technical body; and reformulate some narratives which failed to respect the intentions of the legislative organs or the relevant programming rules (sects. 12, 13, 23 and 27C). In that connection, CPC welcomed the issuance, by the Secretary-General, of new documents containing the reformulated text of those sections (A/C.5/54/20, A/C.5/54/16, A/C.5/54/15 and A/C.5/54/17, respectively).

36. With regard to respect for the priorities established for resource allocation to programmes, CPC had been informed that the general priorities identified by the General Assembly in its resolution 51/219 (maintenance of international peace and security, promotion of sustained economic growth and sustainable development, development of Africa, promotion of human rights, effective coordination of humanitarian assistance efforts, promotion of justice and international law, disarmament, international drug control, crime prevention and efforts to combat international terrorism in all its forms and manifestations) had been respected and that the Secretary-General's proposals included requests for increased appropriations for those areas.

37. However, CPC had been unable to take a clear position on the issue. The appropriate management of priorities was a complex operation that required a subtle balance among structures, the scope of activities, the resources to be allocated and the expected accomplishments. Thus, it had been observed that a clear link between resources and priorities had not been established in every case. On the other hand, it had also been observed that priority areas had indeed been appropriately reflected in the budget proposals. Regardless of the methodology used, actual practice

should be examined further so that the Fifth Committee could take an informed decision on the issue.

38. With respect to the important matter of the overall level of resources, CPC had observed that the estimate of $2,535,600,000 proposed by the Secretary-General was lower than the figure contained in the budget outline approved by the General Assembly at its fifty-third session. The problem was not that there had been a decrease, since the figures in the outline were only indicative and, therefore, subject to change. The question was whether all of the Organization's programmes, particularly those mandated by the legislative organs, could be implemented with the funds requested. CPC had received assurances that that was the case. However, it had received similar assurances in the past which had not been borne out in practice.

39. The issue could not be considered properly in the absence of a basic methodology for determining ways in which the full implementation and the quality of mandated programmes and activities could be ensured and could be better assessed by and reported to Member States. Since those matters had not been addressed in the report submitted in response to the request contained in General Assembly resolution 53/207 (A/54/117), CPC had recommended that the Secretary-General should explore the issue further (A/54/16, para. 30).

40. CPC had also noted a trend towards an increasing use of extrabudgetary funds for activities that should be funded under the regular budget (A/54/16, para. 83). In addition, it had noted with concern, in relation to the report of the Secretary-General on the programme performance of the United Nations for the biennium 1996-1997, that certain outputs had been postponed and others terminated owing to a lack of resources and that the views of the relevant intergovernmental bodies had not been sought in that connection (A/54/16, paras. 40 and 42). All of those considerations deserved careful review.

41. CPC had also emphasized that, once the overall level of the budget had been set, all Member States must pay their assessed contributions in full, on time and without conditions. General Assembly resolution 41/213 and its annexes had laid down the fundamental parameters for the budget process; those parameters were still applicable.

42. In addition to the proposed programme budget, CPC had considered eight equally important items on the agenda of its thirty-ninth session: in-depth evaluation of the programmes on disarmament, electoral assistance, public information and peacekeeping operations; coordination questions in relation to the annual report of the Administrative Committee on Coordination and the report of the Secretary-General on the United Nations System-wide Special Initiative for the Implementation of the United Nations New Agenda for the Development of Africa in the 1990s; the report of the Joint Inspection Unit on ways of achieving more coherence for enhanced oversight in the United Nations system; programme planning, including the timetable proposed by the Secretary-General to improve the participation of functional, sectoral, regional and central bodies in the elaboration of the proposed medium-term plan and the report on ways in which the full implementation of mandated programmes could be ensured and could be better assessed; monitoring of the implementation of certain outputs for the biennium 1996-1997; review of the efficiency of the administrative and financial functioning of the United Nations; improving the working methods of CPC; and the provisional agenda for the fortieth session of CPC. The conclusions and recommendations of CPC on each of those items had been adopted by consensus. Lastly, it should be noted that the Economic and Social Council, at its July 1999 session, held in Geneva, had adopted resolution 1999/57 concerning the report of CPC on the work of its thirty-ninth session.

*The meeting was suspended at 4.07 p.m. and resumed at 4.09 p.m.*

*General debate*

43. **Mr. Burleigh** (United States of America) said that the consideration of the United Nations budget was one of the most important responsibilities of the Fifth Committee, since without a budget there would be no resources to carry out the mandates approved by Member States. The budget also made it possible to assess how the Organization had used the resources provided in the past and to agree on the best use of future contributions. The United States took that responsibility of the Fifth Committee very seriously.

44. The proposed budget contained in document A/54/6/Rev.1 appeared to be consistent with the priorities contained in the medium-term plan for 1998-

2001. The inclusion of funds for a variety of special missions that were likely to be carried out in the coming biennium represented a major improvement over the current practice because it provided more predictable funding for activities in one of the highest priority areas of the United Nations. In terms of other priorities, more than 25 per cent of the proposed budget's total resources were allocated to development activities; that percentage was much higher than in any other priority area.

45. The United States had two major observations to make about the budget proposal. First, it was still too input-oriented, with insufficient emphasis on expected accomplishments and performance indicators that could be used to assess progress. While he acknowledged the Secretariat's efforts to include programme objectives and expected accomplishments in most budget sections, much remained to be done to make the budget process more results-oriented. Second, the level of the budget should be brought down, after recosting, to the current budget level. That could be done merely by taking full account of measures to make the Organization more efficient and effective. With that approach, all Member States would be able to agree on a resource level that would also ensure the full implementation of the priority activities of the United Nations.

46. In 1998, the General Assembly had recommended a series of small but significant changes to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation to enable programme managers and Member States to better evaluate the efficiency and effectiveness of programme activities. Those changes required the Secretary-General to include, in the subprogrammes of the budget, the expected accomplishments directly related to activities carried out with the resources provided for programme activities.

47. In addition, the General Assembly had required that those accomplishments should be monitored and evaluated through the outputs produced by specific programme activities. Unfortunately, not all programme managers had implemented the approved evaluation rules. While many budget sections included expected accomplishments, some sections, particularly in administrative areas, did not include those important elements. In addition, the vagueness of the expected accomplishments in some areas would make it extremely difficult for programme managers and intergovernmental bodies to determine the progress made over the course of a budget period.

48. The number of pages and the weight of the budget document were not a proper measure of accomplishment. Likewise, the quantity of documents produced or the number of meetings held were not useful for gauging the success of programme activities. Paragraph 3 of the introduction to the proposed programme budget indicated that every effort had been made to ensure the full, efficient and effective implementation of mandates. With the over-emphasis on inputs and the continuing deficiencies in programme evaluation throughout the Organization, an unprecedented opportunity had arisen to make the planning and budgeting process more results-oriented.

49. An effective performance management approach would be useful for resource allocation and planning and would provide feedback to programme managers, staff members, Member States and other key stakeholders about the quality, cost and effectiveness of programme activities. For that reason, the United States would continue to promote the implementation of results-based budgeting principles in the Organization, just as it was doing within its own Government.

50. In terms of the overall level of the proposed budget, the United States believed that mandated activities for the next biennium could be fully implemented within the initial level of the current budget, or below $2,533 million. The United States would not support a higher level. Continued efforts by the United Nations to improve efficiency, reduce overhead and rationalize budget allocations should be sufficient to offset any unanticipated increase in costs.

51. While efficiency measures in some budget sections such as management and conference services had made resources available for other sections, the United States was not convinced that those measures reflected the full extent of the economies and management improvements that could and should be achieved in a budget of more than $2 billion. In that regard, it should be noted that some United Nations agencies, such as the World Health Organization and the International Labour Organization, had adopted zero nominal growth budgets for the next biennium and had found that practice useful as a basis for innovative

and more effective programme planning. It would be sensible and appropriate for the United Nations to do the same. The Member States must agree on budgetary control.

52. Lastly, he announced that the United States had deposited $47 million in payment of its regular-budget assessment.

53. **Mr. Insanally** (Guyana), speaking on behalf of the Group of 77 and China, said that the proposed programme budget for the biennium 2000-2001 must be considered in the context of the serious financial crisis faced by the Organization as a result of the non-payment of assessed contributions, particularly by the major contributor. That situation had made it very difficult, if not impossible, for the United Nations to implement the decisions and mandates of the General Assembly.

54. The Group of 77 and China urged all Member States to honour their obligations under the Charter and General Assembly decisions in full, on time and without conditions, while noting that sympathetic consideration must be given to those Member States, particularly developing countries, that were temporarily experiencing economic difficulties. That was the only way for Member States to demonstrate their political commitment to the Organization and for the Secretary-General to carry out all mandated programmes and activities effectively. He welcomed the announcement by the representative of the United States on the amount of the regular-budget contribution authorized by the United States Government; that represented a small step in the right direction.

55. In the Declaration they had adopted in September 1999, the Ministers for Foreign Affairs of the Group of 77 and China had made it clear that there should not be any ceiling on the budget of the United Nations and that resources proposed by the Secretary-General should be sufficient to ensure the full implementation of all mandated programmes and activities. They had expressed concern about the decrease in the Secretary-General's budget proposal for the biennium 2000-2001 in relation to the level of the budget outline approved by the General Assembly in its resolution 53/206, which had reflected a delicate balance of the interests of all Member States and a compromise that should have been respected by the Secretariat. Therefore, the minimum level of $2,545 million, before recosting, should be restored as a basis for the calculation of the budget, taking into account all the legislative mandates approved for the biennium 2000-2001. In addition, the Group of 77 and China shared the Advisory Committee's view that there were several areas where additional resources could be required (A/54/7, para. 130). The Group of 77 and China would consider carefully the different sections of the proposed budget with a view to proposing resource increases in those areas where the Advisory Committee's comments were deemed to be valid.

56. The Secretariat must comply strictly with the provisions of approved legislative mandates and the medium-term plan, which was the principal policy directive of the Organization. The Secretary-General or an external oversight body should examine and evaluate the reasons for non-compliance with legislative mandates and suggest remedial measures. The Fifth Committee must make sure that the programme narratives in the proposed budget were in compliance with approved mandates.

57. The Group of 77 and China also considered that the budget process adopted by the General Assembly in its resolutions 41/213 and 42/211 and reaffirmed in subsequent resolutions remained valid and should be scrupulously followed. They were pleased that the recommendations of CPC had been adopted by the General Assembly without any changes. However, they were concerned about interference in the budget process by entities which had no visible role in the approved budgetary procedures. The report of CPC must be considered by the General Assembly in accordance with resolution 41/213 and the regulations and rules of the Organization. Therefore, the Secretariat should explain which provisions authorized other bodies to consider the programme budget of the United Nations. Any departure from the relevant regulations and rules and any attempt to implement proposals such as results-based budgeting and sunset provisions without the approval of the General Assembly would be counterproductive. Such proposals must be examined thoroughly by CPC, the Advisory Committee and the Fifth Committee before the Secretariat took any action on them.

58. The Group of 77 and China emphasized that the programme budget should be considered by the Fifth Committee in fascicle form, in accordance with General Assembly resolution 41/213, and should not be issued in final form until it had been approved by the General Assembly. The phrase "within existing

resources" should no longer be used in the resolutions of subsidiary bodies and Main Committees, since it was not in conformity with resolution 41/213, and therefore represented a serious violation of current budgetary procedures and of General Assembly resolution 45/248 B. The use of such phrases had a negative impact on the implementation of the Organization's mandated programmes and activities.

59. The Group of 77 and China reaffirmed their support for the inclusion of $86.2 million for expenditures related to special political missions, since it would facilitate the approval process for such missions. They drew attention to paragraph 10 of General Assembly resolution 53/206, whereby additional requirements in that area would continue to be treated in accordance with the provisions of resolution 41/213. The same should be done with respect to the treatment of exchange-rate fluctuations and the effects of inflation.

60. The Group of 77 and China reiterated that the resources in the contingency fund were over and above those of the budget approved for the biennium. Extrabudgetary resources should not be heavily relied upon to finance the mandated programmes and activities of the Organization. Once a mandate was approved, the Member States had a collective responsibility to provide the necessary resources to enable the Secretariat to carry out its responsibilities.

61. It was regrettable that the proposed programme budget did not accurately reflect the priorities approved by the General Assembly in its resolution 51/219. More resources should be requested for activities related to economic and social development. The Secretariat should explain further the basis for the proposed substantial increases in budget sections that were not considered priorities by the General Assembly.

62. Vacancy rates should not be used as an instrument to achieve savings or to decrease the level of the budget; they were strictly a management tool for budgetary calculations. In that regard, he supported the Secretary-General's proposal to maintain maximum vacancy rates of 2.5 per cent in the General Service category and 5 per cent in the Professional category.

63. The Group of 77 and China agreed that the recruitment process must be accelerated if the Secretariat was to have the human resources it needed to implement fully all mandated programmes and activities. In that regard, they reiterated their support for General Assembly resolutions 51/243 and 52/234 and for other relevant instruments. They shared the concern expressed by the Advisory Committee about the use of general temporary assistance to meet staff requirements of a continuing nature (A/54/7, para. 52). That practice was a contravention of current budgetary procedures and should be discontinued. In addition, the Secretariat should provide information on the use of general temporary assistance, particularly in the sections mentioned in paragraph 52 of the Advisory Committee's report.

64. Consultants and individual contractors should be used only when in-house expertise was not available, and always in accordance with the provisions of section VIII of General Assembly resolution 53/221. Moreover, consultants and individual contractors should be hired on as wide a geographical basis as possible to reflect the international character of the Organization.

65. The delegation of authority in the Secretariat should comply with the provisions of General Assembly resolution 53/221. Before authority was delegated, a system of accountability, including the necessary internal monitoring and control procedures, as well as training, must be put in place. The Group attached great importance to the Charter provisions regarding the role of the General Assembly in all those matters.

66. The Group of 77 and China were seriously concerned about non-compliance with the provisions of General Assembly resolutions 52/214 and 53/208 regarding the format of reports prepared by the Secretariat. It was particularly important for small delegations that all those provisions, as well as the rules and procedures of the General Assembly, should be respected. All provisions of resolution 41/213 and its annexes, including those related to the adoption of the budget, remained valid and should be fully respected in order to facilitate negotiations in that area. Lastly, the Group of 77 and China reiterated their commitment to working with all parties concerned to achieve the broadest possible agreement on the items under consideration.

67. **Ms. Rasi** (Finland), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania Malta, Poland, Romania, Slovakia and Slovenia, said that the biennial consideration and

approval of the programme budget of the United Nations was probably the most important and demanding task of the Fifth Committee, since it required both attention to detail and a vision for the future.

68. The Member States' overriding objective must be to make available the resources needed to meet the Organization's objectives and to implement its mandates and programmes at the start of a new era. At the same time, if the United Nations was to perform effectively, budgetary discipline, efficiency and a concern for obtaining value for money were essential. That responsibility, which was in the interest of all Member States, was highlighted in the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. The European Union hoped that the spirit of consensus underpinning General Assembly resolution 41/213, which was a pillar of the Organization's budget process, would continue to guide the Fifth Committee's work during its consideration of the proposed budget.

69. The proposed programme budget was a good basis for the Fifth Committee's negotiations, since it reflected both the medium-term plan and the priorities of the Organization as specified in the budget outline approved at the fifty-third session. In considering the budget, the Committee must take those priorities into account, particularly the maintenance of international peace and security, promotion of human rights, effective coordination of humanitarian assistance, drug control and crime prevention. The budget must also reflect the need to give the Secretary-General adequate oversight tools.

70. Better programme evaluation and monitoring was a crucial part of a budgetary process that focused increasingly on programme delivery. The inclusion of statements of expected accomplishments, pursuant to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, was a step in the right direction, although the information under some subprogrammes was either missing or too vague.

71. The European Union regretted that the proposed budget did not fully reflect the principle that core functions of the United Nations must be financed from the regular budget, as core functions continued to be funded by extrabudgetary resources in many of the Organization's priority areas. It also believed that the budget proposal should contain all expenses of the Organization. Therefore, it welcomed the provision made for special political missions and for other political activities of a perennial character whose mandates were renewed annually.

72. The European Union supported the Secretary-General's budgetary reforms and looked forward to the introduction of his comprehensive analytical report on results-based budgeting. At the same time, it noted that the prototype fascicles requested in General Assembly resolution 53/205 were not yet available. There was a growing trend towards the application of results-oriented budget practices among the Member States; as more Member States gained experience with such practices, support for their use in the United Nations should increase.

73. In relation to the Development Account, the European Union welcomed the recent agreement reached in the Fifth Committee on the modalities for its operation and sustainability, and hoped that detailed proposals on projects to be funded from the Account would be submitted to the General Assembly as soon as possible.

74. The European Union reiterated its position that the vacancy rate should not be used as a means of achieving savings, but rather as a tool for budgetary calculations. As such, it should be based on realistic expectations as to what was achievable. The European Union was concerned about the continued top-heaviness of the Organization's post structure. It was necessary to revitalize and rejuvenate the international civil service and to manage new staff effectively.

75. Like the Advisory Committee, the European Union welcomed the Secretary-General's efforts to improve the format of the budget proposal, specifically through the continuation of net budgeting and the inclusion, in the narrative for each section, of a summary of follow-up action to implement recommendations of the oversight bodies. However, the narratives could still be made more concise and transparent.

76. The dual approach of investment in technology and staff training should help improve the Organization's effectiveness. The culture of information technology must be inculcated throughout

the Secretariat and information about unit and standard costs must be increased.

77. The European Union was pleased with the mainstreaming of a gender perspective in the proposed programme budget and with the specific attention paid to that concept in many of the Organization's departments and activities. It reaffirmed its support for multilingualism in the United Nations and the need to provide adequate resources for conference services.

78. Lastly, since the European Union was concerned about the physical condition of the Headquarters compound, it looked forward to the forthcoming presentation, as mentioned in the proposed programme budget, of a master plan for capital investments and for upgrading facilities at Headquarters.

79. **Mr. Kolby** (Norway) said that any budgeting exercise involved the setting of priorities. The proposed programme budget currently before the Committee was based on the priorities set out in the budget outline adopted at the General Assembly's fifty-third session and was consistent with the provisions of the medium-term plan for 1998-2001. In general, Norway endorsed the proposed distribution of resources, which also reflected the Secretary-General's commitment to making the Secretariat more efficient and effective, and the increases in expenditure for the priority areas identified by the General Assembly.

80. The level of resources proposed by the Secretary-General represented an increase of $5 million over the level for the biennium 1998-1999. That increase was not unreasonable, particularly since the United Nations had operated for five years with no nominal increase in its budget and 900 posts had been eliminated. Moreover, the proposed total was lower than the budget outline figure of $2,545 million approved by the General Assembly.

81. Norway supported the inclusion in the regular budget, for the first time, of an appropriation for special political missions. Preventive diplomacy, peacemaking and the maintenance of international peace and security should no longer be dependent on exchange-rate gains, vacancy rate management and trust funds. Norway also welcomed the inclusion of funds for political activities of a perennial nature whose mandates were renewed annually.

82. Norway, which was a major contributor of voluntary funds for development through the United Nations system, fully supported the proposed budget's emphasis on development activities, especially in the areas of sustainable development, poverty eradication, education and health, and on the United Nations New Agenda for the Development of Africa in the 1990s, which would improve the Organization's capacity to coordinate and promote operational activities for African development.

83. Human rights was another area that deserved a larger proportion and a larger amount of regular-budget funding. The proposed resource increase for that section was too small, particularly with respect to the right to development and human rights instruments. The proposed resources would not be sufficient to implement all mandated activities or to encourage increased cooperation and coordination for the promotion and protection of human rights throughout the United Nations system. Staffing for the important activities conducted in that area should not rely so heavily on extrabudgetary resources.

84. Norway was also a major contributor of funds for humanitarian assistance, which had been given high priority in the medium-term plan for 1998-2001. In particular, Norway supported the activities of the Office for the Coordination of Humanitarian Affairs. It was therefore concerned about the balance between regular-budget and extrabudgetary resources for staffing the Office and about the use of extrabudgetary resources to finance core coordination activities, which should be funded from the regular budget.

85. On many occasions, Norway had expressed the view that peacekeeping activities should be funded through the regular budget to the extent possible. However, in view of the level of resources allocated, the services of a considerable number of staff performing core functions would have to continue to be funded from the support account for peacekeeping operations. The cost of such services should be gradually incorporated into the regular budget.

86. Norway supported the proposed increase in appropriations for internal oversight and capital expenditure. Internal oversight was a tool for management improvement that helped the Secretary-General to deliver priority programmes. An ongoing programme for the maintenance and renewal of the United Nations Headquarters complex was needed.

87. The levelling-off and subsequent decline in the real value of the United Nations budget in recent years

had been accompanied by the increased use of extrabudgetary funding. That was an unfortunate trend. Priority activities should not depend on voluntary contributions, which made planning and management more difficult and time-consuming. Extrabudgetary funding was not a cost-effective way to tackle global issues, and it undermined the principle of collective responsibility for common global tasks.

88. Norway supported the budgetary and administrative reforms advocated by the Secretary-General, and looked forward to receiving the report on results-based budgeting. That practice, which was becoming common in many countries and in some organizations of the United Nations system, could make the management of the budget more efficient. Norway also favoured the introduction of time limits or sunset provisions for new mandates to make it easier to discontinue activities that were no longer useful. Norway welcomed the efforts towards gender mainstreaming in the United Nations, which were evident from many of the programmes in the new budget.

89. Norway reaffirmed its support for all facets of the budgeting practices set out in General Assembly resolution 41/213 and its annex, including the understanding on the adoption of budget decisions by consensus. Norway would not stand in the way of viable solutions for reaching agreement on a budget for the next biennium. However, it remained convinced that zero nominal growth was no longer a necessary incentive for reform. In the long run, that policy would inevitably reduce the institutional capacity of the United Nations system to meet new challenges. The goal of reforms should be to improve the Organization's responsiveness and results orientation, augment programme output and prepare the Organization for the challenges of the new millennium. Therefore, real budget growth should be allowed when it was necessary to fund priority activities and meet new challenges, in accordance with the expectations of Member States, other international actors and civil society.

90. **Mr. Satoh** (Japan) said that the Government of Japan had paid its assessed contribution in full and without conditions and had made every effort to provide the highest possible level of voluntary contributions in support of United Nations activities, despite the severe economic crisis which had plagued the country in recent years and growing domestic opposition. The fact that Japan's assessed contribution, at nearly 20 per cent of the Organization's budget, was second only to that of the United States of America and was about 7 per cent larger than the total assessed contributions of the other four permanent members of the Security Council had come to be considered untenable across a broad spectrum of public and political opinion in Japan. However, Japan's broad-based commitment to the causes for which the Organization stood and worked had prompted it to continue to make its contributions in full and without conditions.

91. The financial reform of the United Nations was an important, if not necessary, condition for ensuring domestic support for the payment of contributions to the Organization. Consequently, the Japanese delegation commended the Secretary-General's efforts to advance reform and to improve the productivity of United Nations activities. However, Japan felt that further streamlining of the regular budget, much of which consisted of administrative and management expenses, was necessary and possible.

92. Japan recognized that the proposed budget under consideration, unlike previous budgets, included expenses for special political missions in the regular budget, and that changes in exchange rates were beyond the Secretariat's control. However, it should be possible to attain zero nominal growth for the next biennium, *inter alia,* by maximizing efforts to reduce additional spending; achieving savings through the continued strength of the United States dollar; reducing expenditure for travel and electronic data-processing equipment; reflecting actual vacancy rates more accurately; and estimating expenses for special political missions more accurately by budgeting them on an annual basis. It was encouraging that many funds and programmes were trying to curtail administrative and management costs for the coming biennium and had approved zero nominal growth budgets.

93. It was also essential that the General Assembly should apply the existing rules and regulations for prioritization and programme review more strictly. The United Nations must constantly review its budget priorities in order to meet the requirements of the international community appropriately and effectively. In that connection, Japan supported the incorporation, into the various mandates, of a review mechanism with specific time limits for the termination of activities. As a rule, whenever the Secretary-General requested funds

for the implementation of a new programme, he should be requested to discontinue or defer the implementation of existing programmes to offset the resources required for the new programme. Such proposals for discontinuation or deferral should be submitted to the General Assembly for approval.

94. With respect to the under-representation of Japanese nationals in the Secretariat, which had a significant impact on domestic support for Japan's contributions to the United Nations, statistics showed that at least 250 Japanese nationals should be employed in the Secretariat. However, at the beginning of the year, there had been only 102. The disparity between the desirable level and the actual level of representation was the largest within the United Nations membership and was also observed in many other parts of the United Nations system. Japan appreciated the efforts being made by the Secretary-General and other officials to improve the situation, but asked for their further cooperation in that regard.

95. The aim was not simply to reduce the budget, but to strengthen the Organization's capacity to meet new challenges by obtaining the most effective and productive use of the resources available. Japan therefore hoped that the ongoing reform efforts would succeed and that the United Nations would be able to tackle issues effectively in the twenty-first century.

96. **Mr. Shobokshi** (Saudi Arabia) said that his delegation generally supported the Secretary-General's budget proposals and was in favour of the wider use of information technology in the United Nations and of the training of staff to improve their qualifications in that area. His delegation welcomed the information provided in the budget concerning measures taken to implement the recommendations of the internal and external oversight bodies and the Board of Auditors, and supported those recommendations and attached importance to their implementation.

97. His country welcomed the reduction in the budget for furniture and equipment, but was concerned about the increase for consultants and experts. His delegation called for equitable geographical distribution with respect to his country and for more opportunities to be granted to the developing countries in the employment of experts. He hoped that the United Nations would respond to the invitation extended by the private sector in his country, which had offered to host the annual meeting of the Inter-Agency Procurement Working Group (IAPWG) so that it could become aware of the high-quality goods produced in his country, as stated in the letter which had been sent on that subject to the competent authorities. He hoped that more nationals of his country would be appointed, as it was still under-represented in terms of its contribution to the budget.

98. **Mr. Chowdhury** (Bangladesh) said that the level of the proposed programme budget for the biennium 2000-2001 was lower than that of the budget outline approved by the General Assembly in its resolution 53/206. He hoped that that reduction would not impair the execution of mandated programmes and activities. In recent years, the level of the budget had fallen in real terms. Moreover, the reduction in the Organization's staff could hamper its ability to properly implement approved programmes, particularly in the social and economic fields. Bangladesh fully agreed that the Organization must become more effective and efficient, but also emphasized that it must be able to address social and economic issues and humanitarian emergencies.

99. In relation to the report of CPC (A/54/16), he was concerned about the increasing reliance on extrabudgetary resources and about the imbalance in the staff pyramid. Other concerns referred to in the report included, *inter alia*, the depletion of resources, especially owing to the failure of Member States to fulfil their obligations; the reduction in the level of the programme budget, particularly in the area of development; and acceptance of the viewpoints of expert bodies on the proposed budget. The recommendations contained in paragraphs 218, 288, 300, 301, 453 (a), 490 and 530 of that report deserved particular attention.

100. Bangladesh broadly supported the observations contained in the report of the Advisory Committee, particularly the one concerning the need to use more graphs, charts and tables in the budget document (A/54/7, para. 6). The current format of the budget document was appropriate. However, he looked forward to the Secretary-General's report on results-based budgeting, which would make it possible to consider the issue in detail. Results-based management could yield many practical benefits for the Organization.

101. The Secretary-General had stated his commitment to creating an organizational culture that was results-oriented and that rewarded creativity and innovation

and promoted high performance and managerial excellence (ST/SGB/1999/15). To implement that vision, it was necessary to recognize the central role of the General Assembly, as had been rightly emphasized by the representative of Guyana in the statement delivered on behalf of the Group of 77 and China.

102. **Mr. Mabilangan** (Philippines), speaking on behalf of the States members of the Association of South-East Asian Nations (ASEAN), said that ASEAN associated itself with the statement made by the representative of Guyana on behalf of the Group of 77 and China. Since 1994, the Organization's budgets had not been increased even in nominal terms. However, the level of resources proposed for the biennium 2000-2001, at $2,535,600,000 before recosting, was lower than the budget outline figure of $2,545 million approved by the General Assembly in its resolution 53/206. He therefore asked for assurances that the proposed level of resources would be sufficient to implement fully and effectively all mandated programmes and activities.

103. ASEAN shared the Secretary-General's view that any further reduction in the budget level would seriously compromise the Organization's ability to deliver the services expected by Member States. It found disturbing the views expressed on the need to reduce the budget below the level proposed by the Secretary-General as a prerequisite for the payment of arrears. The Member States must bear the expenses of the United Nations as apportioned by the General Assembly and were legally obligated to pay their assessed contributions in full, on time and without conditions. ASEAN therefore disagreed with the idea that there was a link between the budget level for the next biennium and the financial situation of the United Nations. In that regard, it recalled the major financial reform implemented under General Assembly resolution 41/213 and subsequent resolutions and the understanding reached at that time. However, the payments promised in exchange for financial reform had not yet been made.

104. In the foreword to the proposed programme budget (A/54/6/Rev.1), the Secretary-General explained that his proposals built on the gains in productivity and effectiveness made in 1998-1999 through the implementation of the 1997 structural reforms. ASEAN had supported the Secretary-General's reform initiatives and measures to improve efficiency and cost-effectiveness in the Organization, provided that such measures would not adversely affect the full implementation of mandated activities. Real savings were achieved through improved efficiency and cost-effectiveness in the full implementation of activities rather than through delays, reformulations or even curtailment of their implementation. ASEAN urged the Secretary-General, in preparing his report on the Development Account, to take into consideration both its views and the provisions of the draft resolution on the Development Account recently adopted by the Fifth Committee (A/C.5/54/L.11/Rev.1).

105. The proposed budget for the biennium 2000-2001 included a provision for special political missions whose mandates were to be considered by the General Assembly. That was a new procedure agreed to by the General Assembly in paragraph 10 of its resolution 53/206. By that same resolution, the Assembly had also decided that additional requirements of such missions should continue to be treated in accordance with the provisions of resolution 41/213. That decision must be respected. The budgetary procedures outlined in resolution 41/213 remained valid.

106. The inclusion, in the proposed budget, of statements of expected accomplishments was in line with General Assembly resolution 53/207 and with regulation 5.4 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. However, such information had not been provided for all subprogrammes. Moreover, the statements of expected accomplishments must be further refined, since they were too general and, as such, would be difficult to verify. In that regard, it was important that the Fifth Committee should give appropriate guidance to the Secretariat.

107. The most vital asset of the Organization was its staff. ASEAN therefore agreed with the Advisory Committee that personnel practices and policies had a major impact on the good management of the Organization and the efficient use of its resources. ASEAN commended the dedication of the many staff members who had had to assume additional functions because of budget reductions in the current biennium, and was pleased that the Secretary-General was proposing an amount of $1.4 million for staff training, which represented a 10.1 per cent increase in the resources allocated for that purpose. ASEAN also welcomed the Secretary-General's efforts to mainstream a gender perspective in the proposed

programme budget, and encouraged him to continue his efforts in that regard.

108. With respect to the format of the budget document, ASEAN noted that each budget section reflected the status of implementation of recommendations made by various external and internal oversight bodies. However, it was not clear whether those recommendations had been approved by the appropriate legislative bodies. The Secretariat should implement only those recommendations which had been approved by the legislative bodies and should include information on their implementation in future budget documents.

109. The budget documents, which had been issued initially in fascicle form, had been printed in final form. The document symbol (A/54/6/Rev.1) indicated that the document had been revised, but it was not easy to discern where those revisions had been made. The budget documents should remain in fascicle form until the General Assembly had taken a decision on the matter. Only then should the Secretariat issue the documents in final form, including the approved budget proposals and the conclusions and recommendations of CPC and the Advisory Committee as approved by the General Assembly. That procedure would increase the transparency of the General Assembly's decisions on the initial budget appropriations and would provide clearer guidance to the Secretariat for the implementation of those decisions. It would also make it easier for Member States to see where changes were being proposed when the revised budget estimates were submitted at the end of the first year of the biennium.

110. **Mr. Iddi** (United Republic of Tanzania), speaking on behalf of the three States parties to the Treaty for East African Cooperation (Kenya, Uganda and the United Republic of Tanzania), said that he supported the statement made by the Chairman of the Group of 77 and China. Whereas the General Assembly had approved a budget outline that had represented a resource increase of barely 0.6 per cent in real terms over the revised appropriation for 1998-1999, the proposed budget currently before the Committee reflected a resource increase of 0.2 per cent in real terms. In effect, it was a zero-growth budget. The reports of CPC and the Advisory Committee implied that the Secretary-General should have proposed more resources for a number of budget sections or, at least, an amount equal to the approved outline level.

111. The demand for programmes and services continued to increase, and there was obvious and widespread evidence that many activities and programmes were not being implemented effectively and efficiently because of a lack of adequate resources. For example, the Headquarters premises, the quality of translations and the provision of interpretation services, particularly for the meetings of the regional groups, had all deteriorated. Document processing, reproduction and distribution had also suffered the consequences of insufficient funding. There was evidence that some programme managers, particularly at offices away from Headquarters, were trying to supplement scarce regular-budget resources through fund-raising activities of their own, often with little success. Similarly, there was a growing tendency to fund peacekeeping operations, which were a core function of the Organization, with voluntary contributions. The assertion that more could be done with less, which might have been credible in the past, had become an empty sound bite.

112. It was hard to understand the bases for some of the reductions proposed under a number of sections, such as common support services and General Assembly affairs and conference services, which seemed to reflect merely the need to achieve savings to meet an arbitrary target. Efficiency measures and automation could have beneficial effects in those areas, but there was a limit beyond which reductions in support and conference services affected the delivery of services to Member States.

113. The situation at four of the regional commissions and at the United Nations Office at Nairobi was of serious concern. As indicated in the report of the Advisory Committee, the Economic Commission for Africa (ECA) still lagged behind many parts of the United Nations system in the areas of automation and information technology. It was therefore unclear why more resources had not been allocated for the implementation of the Commission's automation programme, which was expected to cost about $5 million. He asked for full details on the reasons for the high vacancy rates in the Professional category at ECA, the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA) and on the measures taken to address the situation.

114. With respect to the United Nations Conference on Trade and Development (UNCTAD), it was evident

that more resources should have been allocated for the coordination of activities related to the least developed, landlocked and island developing countries. The Advisory Committee, in paragraphs IV.38 and IV.39 of its report (A/54/7), had made observations on the subject which required a response from the Secretariat.

115. The funding of the United Nations Conference on the Least Developed Countries, to be held in Brussels in 2001, and of the related preparatory activities was also a matter of keen interest. In that regard, he asked for detailed information on the cost of the Conference secretariat, the structure and related activities, and the cost of the preparatory programme for 1998, 1999, 2000 and 2001, as well as the cost of the Conference itself. He also asked whether resources for those purposes had been included in the budget for the biennium 1998-1999 and the proposed budget for the biennium 2000-2001.

116. With respect to the United Nations Office at Nairobi, he was disappointed by the level of funding proposed. He recalled that the Governing Council of the United Nations Environment Programme (UNEP), in its decision 20/31, had noted with concern the large discrepancy in the amount of funding provided from the United Nations regular budget to the United Nations Office at Nairobi, in relation to that provided to the United Nations Office at Vienna and the United Nations Office at Geneva, and had appealed to the General Assembly, at its fifty-fourth session, to consider positively a substantial increase in the regular budget allocation to the United Nations Office at Nairobi for the biennium 2000-2001.

117. Many Member States were implementing reform and restructuring measures and were re-examining their public institutions with a view to improving their efficiency and functioning. The United Nations could not be exempted from such measures, which had always been supported by the States parties to the Treaty for East African Cooperation. Those States also supported budget discipline and measures to ensure that the Organization's resources were used effectively and efficiently. With respect to those objectives, there should be no difference between developed and developing countries.

118. However, it must be borne in mind that the purpose of reform should be to strengthen the Organization, not to weaken it. If the proposed estimates were again subjected to arbitrary reductions such as those forced on the Secretariat in previous years, the Organization's capacity would be reduced for the eighth year in a row. No organization could survive such budgetary pressure. In the past, more extensive damage had been avoided as a result of favourable exchange rates, but that situation was unlikely to continue indefinitely.

119. Since 1986, remarkable changes had taken place in both the Secretariat and Member States. The fact that the budget had not grown was evidence of budget discipline, and the fact that virtually no resolutions were adopted with large financial implications indicated remarkable legislative discipline. Many Secretariat units, both at Headquarters and at offices away from Headquarters, had undergone changes. Far-reaching reforms of the functioning of many intergovernmental bodies, particularly the regional commissions and offices away from Headquarters, had also taken place. Those changes were ongoing, and he hoped that those developments would be recognized and appreciated rather than frustrated through arbitrary actions.

120. Lastly, he recalled that, pursuant to General Assembly resolution 41/213, there should be a dialogue between the Secretariat and Member States prior to the preparation of the budget and during its consideration, approval and implementation. As the Advisory Committee had aptly remarked, continued deviations from that resolution would seriously call into question the budgetary process embodied therein. Developments since 1995 had been very troubling. If the current trend was not arrested, the confrontations and tensions that had existed prior to 1986 might re-emerge. If that happened, the responsibility would fall squarely on those who had chosen to ignore major aspects of that resolution.

121. **Mr. Haque** (Pakistan) said that he supported the statement made by the representative of Guyana on behalf of the Group of 77 and China in relation to the proposed programme budget for the biennium 2000-2001. The medium-term plan was the principal policy directive of the United Nations and must be accorded paramount importance in the preparation and approval of the budget. However, the large number of amendments recommended by CPC led to the inescapable conclusion that the Secretariat, in preparing the proposed budget, had not adhered scrupulously to the mandates approved by the General Assembly. The Fifth Committee must therefore

examine the budget proposals carefully in order to ensure that legislative decisions were fully implemented.

122. The budget proposal should provide for resource levels which allowed the full and effective implementation of mandates. At its fifty-third session, the General Assembly had approved a budget outline in the amount of $2,545 million. The Secretary-General was currently proposing a budget that totalled $2,535 million. The delegation of Pakistan had full confidence in the Secretary-General, in his capacity as chief administrative officer of the United Nations, but information provided by senior management had left it with the impression that the paucity of resources had had an adverse impact on programme delivery. It therefore sought clear assurances from the Secretariat that the proposed level of resources would be adequate for the full implementation of all mandated programmes and activities.

123. The proposed programme budget was characterized by heavy reliance on extrabudgetary resources for the implementation of mandated programmes and activities. That ran counter to the principle of the Member States' collective and shared responsibility for financing approved mandates by providing resources as apportioned by the General Assembly. The budget should provide for the financing of all programmes and activities from predictable and reliable sources of funding. That obligation must be respected to ensure the continuous and predictable availability of resources and the financial viability of the Organization.

124. The correlation which the Secretary-General sought to establish between the Development Account and efficiency measures, referred to in the introduction to the proposed budget, was not germane. Improved efficiency and effectiveness were essential for strengthening the Organization's responsiveness and programme delivery, regardless of any other issue; reform must not become merely a budget reduction exercise. As the Advisory Committee had stated, there was a need to ensure that efficiency projects reflected a well-thought-out and coherent programme of reform and change management, but it appeared that too many such projects had not been analysed carefully (A/53/7, para. 53).

125. His delegation attached particular importance to the established budget process outlined in General Assembly resolution 41/213 and in the regulations and rules of the Organization. CPC and the Advisory Committee played an important role in the budget process and must continue to do so. The fact that the Fifth Committee endorsed most of the recommendations of CPC reflected its confidence in the work of that body. However, since the Fifth Committee had sometimes had to substantially amend or sidestep the recommendations of the Advisory Committee, the latter should review its working methods, possibly in consultation with the Fifth Committee.

126. All mandated programmes and activities should be carried out by United Nations staff. The General Assembly's decision to phase out the use of gratis personnel should be implemented fully.

127. With respect to the proposal to set time limits for the implementation of new initiatives, it would be difficult, if not impossible, to set arbitrary time limits in advance for the implementation of new initiatives, programmes and operations. The Member States and the competent expert bodies should conduct an in-depth examination of that proposal, which the Secretariat had formulated in the context of United Nations reform, before the General Assembly took any action on it. No attempt should be made to short-circuit the intergovernmental legislative process. In any event, the General Assembly conducted a biennial review of all programmes and was fully competent to change or terminate those which had outlived their usefulness. Similarly, CPC undertook a comprehensive review of the validity of all mandates which had existed for more than five years.

128. The proposal regarding results-based budgeting also raised a number of questions and should not be implemented without the formal approval of the General Assembly following a careful examination of all its aspects. The concept was complex and of doubtful utility in a political organization such as the United Nations, where results could not be quantified, particularly in the political sphere.

129. With respect to the submission of reports, the format of some reports, particularly those of the Advisory Committee, was not in line with the decisions taken by the General Assembly. The Advisory Committee, which was a subsidiary body of the General Assembly, should submit its reports in accordance with resolution 53/12 B and paragraph 12

of resolution 53/208 B. Lastly, he expressed appreciation of the improved presentation of budget documents. The inclusion of information on the action taken by the Secretariat on the recommendations of expert bodies was a welcome development. However, he stressed that the Secretariat could implement only those recommendations of expert bodies which had been approved by the General Assembly.

130. **Mr. Rosenthal** (Guatemala) said that his delegation endorsed the statement made on behalf of the Group of 77 and China. The adoption of the budget was no small task. On the one hand, it reflected the Member States' degree of commitment to providing the Organization with the resources it needed to fulfil the purposes for which it had been established. On the other, it charted the course of the Organization by setting the level and distribution of expenditure. Moreover, the consideration of the budget was the chief point of contact between those who formulated policies and those who carried them out; between Member States and the Secretariat.

131. The distance between Member States with regard to the budget did not seem insuperable. Some Members, including Guatemala, would accept moderate real growth, while others called for zero nominal growth. The Secretariat, supported by the Advisory Committee, advocated zero real growth. Ultimately, however, the debate did not concern resources so much as it concerned the degree of political commitment to the United Nations. His delegation therefore believed that the Member States must give the Organization the resources it needed to carry out its mission, without losing sight of the goal of efficiency and effectiveness.

132. The United Nations had been subjected to successive budgetary constraints for at least 10 years. It was true that duplications and superfluous expenditures probably continued to exist, though to a lesser degree than in the past, but it was also true that, over the years, the Organization had found it increasingly difficult to absorb budget cuts and had stopped addressing some issues of great importance because it lacked the necessary resources. That lengthy period of austerity and budgetary constraints had had a perverse effect. Thus, the reduction in permanent posts and lagging remuneration levels had made it harder to recruit new talent, slowed down the career development policy and resulted in the demoralization of the staff and the gradual loss of the Secretariat's most highly qualified executives. The time had come to halt that downward spiral and to complement managerial restructuring and improvement measures with reasonable resource allocations.

133. The Fifth Committee played a dual role. On the one hand, Member States had the duty, as contributors to the Organization, to ensure, by means of quiet vigilance, that resources were used rationally, effectively and efficiently and that the United Nations obtained value for money. On the other hand, as users of the Organization's services, they must provide the United Nations with the resources it needed to function optimally, and must take an understanding, constructive and proactive attitude to ensure that the Organization addressed topical issues, adapted continually to changing circumstances and remained relevant His delegation considered that moderate budget growth, in accordance with the proposal contained in General Assembly resolution 53/206, would properly reconcile those two functions.

134. **Mr. Soulama** (Burkina Faso) said that his delegation associated itself fully with the statement made by the representative of Guyana on behalf of the Group of 77 and China. His delegation was surprised that the Secretary-General was proposing an increase of only $129 million in relation to the $2,545 million provided for in the budget outline approved by General Assembly resolution 53/206. Moreover, that was only an apparent increase, if the effects of inflation, exchange-rate fluctuations and the vacancy rate were taken into account.

135. In view of the growing number of programmes and activities added to the Organization's agenda in the last 10 years, the delegation of Burkina Faso had strongly supported the reform programme proposed by the Secretary-General to ensure that the Organization could deal with its new and varied international responsibilities. However, those reforms must not compromise the very future of the United Nations. The level of resources allocated must be commensurate with the requirements of approved mandates.

136. The medium-term plan was the principal policy directive of the Organization and should serve as the basic point of reference for the formulation of the budget. The Secretariat should not make proposals that deviated from the priorities set forth in the medium-term plan. The delegation of Burkina Faso therefore

wished to know what criteria had been followed in the allocation of resources.

137. Burkina Faso hoped that the reduction of the budget would not entail a reduction in the Organization's role or affect the implementation of its activities and programmes, particularly in the area of cooperation for development. The Member States must bear in mind that they had responsibilities as well as rights and that, once the budget had been approved, they must pay their assessed contributions.

138. **Mr. Theophylactou** (Cyprus) said that his delegation aligned itself with the statement made by the representative of Finland on behalf of the European Union. In relation to economic and social affairs, Cyprus endorsed the full implementation of programme 28 of the medium-term plan, as revised, and looked forward to the June 2000 special session of the General Assembly on the implementation of the outcome of the World Summit for Social Development.

139. The delegation of Cyprus reaffirmed its support for the principles and commitments agreed upon at the World Summit for Social Development, held in Copenhagen in 1995, and trusted that sufficient resources would be mobilized to provide technical support to developing countries and to implement the Programme of Action adopted at the Summit. The United Nations system in general, and the Secretariat in particular, were largely responsible for ensuring the success of the follow-up to the Summit, including the special session scheduled for 2000. In that regard, the Committee's support and constant encouragement were indispensable. His delegation appreciated the efforts which the Department of Economic and Social Affairs had made in that area.

140. In relation to peacekeeping operations and special missions, the delegation of Cyprus wished to stress that, having experienced first-hand the benefits of peacekeeping for many years, it understood the importance of providing adequate resources for such operations. The media often reported on major issues related to peacekeeping, such as the safety of personnel and the underfunding of peacekeeping activities. The disparity between the ever-rising demand for peacekeeping operations and the modest financial resources available adversely affected the smooth functioning of those operations and was an issue of serious concern. As stated recently in *The New York Times*, it was inexcusable that the Organization's Member States had refused to pay for security or training for the civilians whom the United Nations sent to danger zones to which its Members would not send peacekeepers.

141. Cyprus valued highly the humanitarian activities of the United Nations Peacekeeping Force in Cyprus (UNFICYP) and its contribution to peace and security on the island, and contributed voluntarily one third of the Force's total budget, plus an additional one third over and above its assessed contribution to all United Nations peacekeeping operations. It hoped that the proposals put forward during the debate and the decisions to be taken subsequently would ameliorate the financial situation of peacekeeping operations and special missions.

142. **Ms. Sun Minqin** (China) said that her delegation agreed in principle with the conclusions and recommendations contained in the report of CPC, and had noted that consensus had not been reached on some issues. The Chinese delegation fully endorsed the statement on the proposed programme budget for 2000-2001 which the representative of Guyana had made on behalf of the Group of 77 and China, but wished to highlight its position on a number of points.

143. First, the level of the proposed programme budget for the biennium 2000-2001 was slightly lower than that of the current budget. The Chinese delegation welcomed efforts to improve the Organization's efficiency and to reduce costs, but noted that successive budget reductions had begun to affect the implementation of mandated programmes and the efficiency of United Nations activities, as the Secretary-General had informed CPC in June 1999. The preparation of the programme budget of the United Nations should take into account the need to provide adequate resources for mandated programmes and activities. Economy measures should not be instituted at the expense of the full implementation of programmes.

144. In considering the Organization's first proposed programme budget for the new century, delegations must bear in mind actual resource requirements in order to ensure the implementation of the programmes and activities that best reflected the role to be played by the United Nations. Second, priorities must be set in accordance with the interests and demands of all Member States, on the basis of full consultation among them. The Secretary-General had proposed

appropriations for some budget sections that were of immediate interest to developing countries, such as the environment, crime prevention and African development, but the proposed funding level was still inadequate compared to the resource levels for the current biennium. For example, the proposed budget provided for a 0.4 per cent reduction under the section on environment and modest increases under the sections on African development and crime prevention. In contrast, dramatic increases were being proposed under the sections on human rights (3.7 per cent) and internal oversight services (5.3 per cent).

145. The Chinese delegation was concerned about that situation and hoped that priority programmes relating to the economic development of the developing countries would be given increased attention and secured resources. The proposed programme budget for the biennium 2000-2001 was an important item on the agenda of the General Assembly's current session, and the Chinese delegation was ready to participate in the discussions in good faith and in a responsible and pragmatic manner.

146. **Mr. Belinga-Eboutou** (Cameroon) said that he supported the statement on the proposed budget for the biennium 2000-2001 which the representative of Guyana had made on behalf of the Group of 77 and China. At the threshold of the new millennium, Member States had a duty to provide the Organization with the human, material and financial resources it needed to promote peace, security and development. The formulation of the Organization's budget must take three basic factors into account: the provisions of General Assembly resolution 41/213, moderate real budget growth and the allocation of adequate resources for the financing of development.

147. General Assembly resolution 41/213 was intended to enable Member States to participate, from the beginning, in the process of preparing the budget so that consensus could be reached on the preliminary estimates of the resources needed for the implementation of mandated programmes, the priorities of the Organization, the growth rate and the contingency fund, and to facilitate the budgeting process. Pursuant to that procedure, the General Assembly, after long and difficult negotiations, had approved, by its resolution 53/206, the outline of the proposed budget for a total of $2,545 million, which represented a modest increase over the previous biennial budget. It would therefore be unfair to change that figure, which had been widely supported in the Fifth Committee.

148. The growth rate of the budget had declined over the years and was currently close to zero. Needless to say, that situation had very negative consequences for the Organization's programmes, staff and services. If that trend was not reversed, the United Nations would not be in a position to take up the many challenges of the twenty-first century in the areas of international peace and security and sustainable development. Instead, it would lag behind more competitive actors such as transnational corporations, other international organizations and non-governmental organizations, whose influence was clearly increasing. The Organization needed a budget with a moderate growth rate that would enable it to carry out all mandated programmes and, especially, to finance development activities.

149. With respect to the financing of development, it must be borne in mind that the figures in the proposed budget were only proposals. Cameroon called upon the members of the Fifth Committee to allocate sufficient resources, at the current session, to the sections related to development activities. Adequate resources must also be provided for peacekeeping missions, preventive diplomacy, confidence-building between States, economic cooperation, the activities of the regional commissions (particularly ECA), information, awareness-raising programmes on the critical economic situation of Africa, information centres, human rights, the developing countries' efforts to establish democratic structures and institutions and activities to promote peace and disarmament in Africa, particularly Central Africa. In all those areas, special attention should be paid to the African continent, which was the neediest and which required the most regular-budget and extrabudgetary resources.

*The meeting rose at 6.45 p.m.*